

Supporting Statement

The 2000-2001 Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) Programs Performance Report (ED FORM 1288-1)

A. JUSTIFICATION

1. The Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership programs are authorized under Title IV, Part A, Subpart 4 of the Higher Education Act (HEA) of 1965, as amended (20 U.S.C. 1070c), and administered under 34 CFR Part 692. The SLEAP Program was added to the statute as a result of the 1998 Amendments to the HEA and is a sub-program of the LEAP Program. The Education Department General Administrative Regulations (EDGAR) require the states to submit annual performance reports to the Secretary that are necessary to carry out the Secretary's functions. EDGAR (34 CFR 80.40(b)) provides that " ... grantees shall submit annual performance reports.... Annual reports shall be due 90 days after the grant year.... ". (Copies of the appropriate sections of EDGAR are attached.)

The current LEAP performance report form expires November 30, 2003 (OMB 1845-0044). We are seeking to revise this form to include the SLEAP performance report, making it one combined, web-based form. The Financial Partners Channel in collaboration with Student Financial Assistance's (SFA) new Financial Management System (FMS) is automating the LEAP and SLEAP reporting process. This new E-form will allow our state partners to complete reporting requirements on-line, making the process more reliable and with less chance of error than the current process. With the development of this E-form, the Financial Partners Channel will have completed the second and final step in our move towards automating the current paper processes under the LEAP and SLEAP programs. Our state partners have been included on the development of this E-form and are anticipating this new electronic reporting method.

Regulations were finalized for the SLEAP Program November 1, 2000 and the Department's budget was passed December 21, 2000. In addition to appropriating funds for the LEAP and SLEAP programs, significant changes were made to the SLEAP Program statute. As a result, the development of an application to allow states to apply for funding in May 2001 began in January and the development of the attached performance report proceeded concurrently. Changes to the statute required numerous changes to the performance report and the data elements included in it. All of our available resources were involved in the development of both forms from January until the performance report's completion in June, including the state educational agencies. Given all the new program requirements this year and the move to automate the LEAP and SLEAP processes, we felt there was a need to gain state's input in the development of these forms. The performance report especially, because of its complexity of many data elements, needed to be shared with the states and at their request was held in abeyance until extensive review at their most recent National Association of State Student Grant and Aid Programs (NASSGAP) Annual Spring conference held in Washington, DC on June 13, 2001. **Because of the changes to the law and new program requirements, the short time schedule for development of forms, and obtaining state involvement in the process, we are requesting emergency approval of**

this new performance report form by July 10, 2001. This would allow for the needed time by states to plan and begin reporting under the programs as soon as possible.

2. Each of the participating state agencies provides information on the annual performance report about its use of program funds in order to demonstrate compliance with the program's statutory and regulatory requirements. Federal program officials use the performance report data for monitoring program funds distribution, for performing program evaluation, and for recommending policy decisions by Federal officials.

State agencies are held accountable for evidence that eligible students meet all statutory and regulatory requirements. The designated state agency is accountable to the federal government for the adequacy of student eligibility evidence. State-maintained fiscal and program records must demonstrate that funds go only to qualified recipients in appropriate amounts, in accordance with all the applicable statutes and regulations.

The performance report is the only vehicle by which Federal program officials may annually monitor the compliance of the State agencies. If this information collection were not conducted, the Federal program officials would have no means by which to monitor and ensure state agency compliance with the program statute and regulations.

3. At this point, the states must still provide an original signature when reporting to the Department that will certify that all information given is accurate and in compliance with the program statute and regulations. Aside from printing and signing the certification page of the performance report, and mailing it to the Department, 100% of the collection of report data will be done electronically via the Internet using the latest information technology. The elimination of the paper collection process would significantly reduce burden to states as well as the Department by saving time and costs in program administration involved under the paper process. The need for the Department to seek resolution from states over data items will be reduced given that this new E-form will allow for edit technology when states are reporting.
4. The LEAP and SLEAP programs are operated by a single designated agency in each state. Each state agency provides data on its performance report that applies only to that state, that must be updated each year, and that is not collected on any other form. Therefore, there is no duplication of performance report information. In the development of this form, we only require the bare minimum of items needed to ensure compliance with the programs.
5. The collection of information does not involve businesses or other small entities.
6. States are required to apply annually for their LEAP and SLEAP program allotments and must annually report the expenditures of each allotment. LEAP and SLEAP program operations are continuous by year, and totally separate from one year to the next. Therefore, information collection and recordkeeping must be kept on a yearly basis, at a minimum, in order to be accurate. Any lapse in the keeping of required information makes it impossible for ED to determine accountability for use of federal funds in compliance with the statute and regulations.

7. There are no special circumstances in this information collection.
8. When the LEAP Program was established, a committee of state agency representatives helped design the original report. The new combined E-form only additionally incorporates new items needed to determine a state's compliance under the SLEAP program. The states were given an invitation to make comments and suggestions concerning the development of the new E-forms, both application and performance reporting. Additionally, information collection was extended at the two most recent National Association of State Student Grant Aid Programs national conferences, the latest held in Washington, DC on June 13, 2001. The performance report especially, because of its complexity of many data elements, needed to be shared with the states and at their request was held in abeyance until extensive review at their annual spring conference held on June 13, 2001. States welcome the new automated form.
9. ED does not provide any payment or gifts to respondents.
10. There is no assurance of confidentiality to state agencies.
11. There are no questions of a sensitive nature.
12. The 50 States, D.C., Puerto Rico, and four island jurisdictions are eligible to participate in the LEAP Program. The cost for responding state agencies to gather and record the appropriate information, including the SLEAP data elements and to complete the performance report is estimated at \$28,960.

RESPONDENT COSTS

Program Specialist 8.0 hrs. X \$20 x 56	=	\$8,960
Miscellaneous (xeroxing and mailing, computer time)	=	<u>\$ 5,000</u>
		\$13,960

There may be as many as 56 respondents to this annual information collection depending on the total number of entities that applied for and received program funds for any given award year under the programs. As indicated in item 12. above, the reporting burden estimated for this information collection is 8.0 hours per respondent and is calculated as follows:

$$8.0 \text{ hours} \times 56 \text{ respondents} = 448 \text{ hours}$$

The hourly estimate includes the identification and collection of relevant information, report response format and preparation, securing appropriate signatures and mailing. The annual recordkeeping burden is calculated as follows:

2.0 hours x 56 respondents	=	112.0 hours
Reporting		456.0
Recordkeeping	+	<u>114.0</u>
Total annual burden	=	570.0 hours

13. There are no capital or start-up costs for this information collection. All states have access to the Internet, and any compatibility software needed the Department would provide at no charge.

14. The annual cost to the Federal government for the processing of this performance report is estimated to be \$8,000; this cost includes processing the reports submitted by the States; and analyzing the data for funding decisions; and ensuring State compliance with program statute and regulations.

FEDERAL GOVERNMENT COSTS:

Program Specialist 400 hrs. X \$20 = \$8,000

15. The annual reporting and recordkeeping cost burden requested is \$13,960, a reduction by \$15,000 previously reported under this collection. The reason for the reduction is the result of combining two forms into one, web-enabled form that states can complete on-line, and electronically submit to the Department replacing the manual, paper process.
16. Results are not intended for statistical use publication.
17. We are not seeking approval to exclude the display of the expiration date for OMB approval of the information collection.
18. No exceptions to the certification statement identified in item 19.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methods.